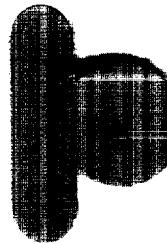


Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3



Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

Summary of Recommendations of the
Commission on Organization of the
Executive Branch of the Government
Concerning Personnel and Civil Serv-
ice and Comments pertaining to the
Personnel Management Program of the
Central Intelligence Agency.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

I. Establishment of Definite Noncareer Executive Group

1. This section of the report includes recommendations for the establishment of a noncareer executive group as a means of improving management. In brief, these recommendations propose the:
 - a. Use of greater numbers of noncareer executives to carry the burden of executive relations with the Congress and the public, and of policy and program development and defense.
 - b. Clearer division of the functions of noncareer executives and career administrators.
 - c. Higher salaries and review of the conflict of interest laws to make government service more attractive to noncareer executives and career administrators.
2. This Agency is relatively free of the problems which these recommendations are designed to relieve in view of the nature of its mission and its role in conducting executive relations with the Congress and the public. To the extent that they do exist, remedy has already been available through the exercise of its special appointment authority and other special authorities possessed by the Director to accomplish the objectives of Recommendations 1, 2, and 3. We believe that the approval of higher salary rates (Recommendation 4) and reconsideration of the conflict of interest laws (Recommendation 5) would further assist their solution.

Recommendation No. 1

- (a) Career administrators, as rapidly as possible, should be relieved by the noncareer executives of responsibility for advocacy or defense of policies and programs and should be kept out of direct participation in political controversies. This recommendation is in no way intended to restrict Congress in obtaining information from any employee of the Government.
- (b) Additional competent noncareer executives should be worked into management organization at the departmental level to help carry the workload, assist the secretaries and assistant secretaries in improving their control over and grasp of departmental business, and take over the political tasks formerly handled by many career administrators. Political appointees should not be placed in the line of command below career administrators. Obviously, such appointments undermine the line of command and make the position of career administrator untenable.

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Recommendation No. 2

We recommend that the President designate the positions which should be in the noncareer category and that he use the following criteria to determine positions which should be in this category:

- (a) All positions filled by Presidential appointment, with or without confirmation by the Senate;
- (b) All positions having vested in them statutory authority or executive delegations of authority requiring the incumbents to make final decisions in the establishment of governing policies, programs, objectives, and in the enunciation of principles which will control the action of subordinates in the implementation of the foregoing;
- (c) All positions, the duties of which require the incumbents to act publicly in advocating new policies and in justifying or defending the governing policies or the basic principles or philosophy which controls their department or agency policies. Such duties would include direct participation with, or representation of noncareer executives in public debate, evaluative discussions, and justifications of departmental policies, programs, or activities.
- (d) Most positions of a personal and confidential nature, such as personal aides, confidential secretaries, and personal chauffeurs. Noncareer executives may, of course, continue to employ career people in such positions.

Recommendation No. 3

We recommend that the Civil Service Rules establishing the schedules of positions exempted from the competitive service be modified to provide for four schedules as follows:*

- (a) Schedule A should include all positions, except those under schedules C and D below, which, from time to time, the Civil Service Commission determines it is not practicable to fill by examinations, either competitive or noncompetitive.

* The above schedules would not include members of separate merit systems, such as the Foreign Service, U.S. Public Health Service, Atomic Energy Commission, Tennessee Valley Authority, established by separate laws.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

- (b) Schedule B should include all positions, except those under schedules C and D below, which the Civil Service Commission determines it is not practicable to fill by competitive examinations. Appointments to these positions shall be subject to such noncompetitive examinations as may be prescribed by the Commission.
- (c) Schedule C should include all positions which the President, on nomination by department or agency heads, exempts from the competitive civil service on an indefinite basis because the incumbents perform duties of a personal and confidential nature such as junior personal aides, confidential secretaries, or personal chauffeurs to noncareer executives. (See Criteria (d) in Recommendation No. 2 above)
- (d) Schedule D should include all positions which the President on nomination of department or agency heads, exempts from the competitive civil service because their incumbents perform the functions listed in criteria (b) and (c) in Recommendation No. 2 above.

Recommendation No. 4

We recommend that Congress authorize salary increases for the Government's top managers (career and noncareer) as a practical means of securing and holding competent men in public service.

Recommendation No. 5

We recommend that the President and the appropriate committees of the Congress review the conflict of interest laws to determine whether the intent of such laws can be better achieved by other and more positive means which would encourage rather than discourage entry of competent men into public life.

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

II. Establishment of a Senior Civil Service Group

1. This section of the report is directed toward the problem of improving the quality of career administrators available to serve wherever needed. It expresses the Commission's view that the existing Civil Service System is not geared to providing or developing professional administrators at the higher levels. The basic features of the system proposed in Recommendation 6 include:

- a. Personal rank status (rank, basic salary, and status vested in the individual);
- b. Movement of members, including inter-departmental moves, without loss of basic pay or status;
- c. Obligation of members to serve where needed most;
- d. Political neutrality of members;
- e. Compensation in a range from \$10,800 to \$17,500 (based on current schedules) as determined upon consideration of the members' qualifications by a Senior Civil Service Board; increases within this range awarded by the Board;
- f. Creation of a Senior Civil Service Board (composed of three distinguished citizens---not Federal officials, the Chairman---or his deputy---of the Civil Service Commission, and a member of the President's Executive Office staff) to administer the system.
- g. Consideration of further training for the members of the Board.

2. Certain elements of this system already exist within this Agency. A form of "personal rank status" is achieved through the operation of the assignment-to-lower-grade-without-demotion features of Regulation [redacted]. The careful selection and rates of compensation features is somewhat similar to the operation of the Supergrade procedure (Regulation [redacted]). The obligation of individuals to serve when and where needed is established through their achieving membership in the Career Staff and flexibility of assignment through the career service mechanism. Training needed may be taken into account through the career service system as such or through participation in the career development program. All of this is on a local scale, of course, and does not bring the advantages of such a program to a Government-wide group.

25X1A

25X1A

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3. Although not explicitly stated either in the Task Force report or the report of the Commission, this proposal in its present form seems to be directed primarily to the competitive service. By virtue of its excepted status, this Agency would be excluded from participation. If the plan were developed and adopted with some provision for interchange among the several merit systems, it is doubtful that the security problems inherent in such interchange of personnel and the rendering of required reports to the Board concerning candidates for or members of the group could be resolved to permit participation by this Agency.

Recommendation No. 6

We recommend that the Congress authorize and the President establish a Senior Civil Service composed of highly qualified, politically neutral career administrators nominated by their employing agencies and appointed after careful selection by a bipartisan Senior Civil Service Board with the consent of the President to serve in positions agreed upon by the Board and employing agencies. Such senior civil servants should have status, rank, and salary vested in them as individuals so that they may be employed in career positions throughout the Federal service.

~~CONFIDENTIAL~~

CONFIDENTIAL

III. Training and Managerial Development at Lower Levels

1. This section of the report deals with the problem of providing proper indoctrination training and motivation to new employees and of encouraging employees to develop their technical, professional, and managerial knowledge and skills. Particular emphasis is given to the need for building a systematic government-wide executive development program which will directly improve the quality of first line supervisors and junior executives and will increase the supply of experienced and competent senior employees for top management posts.
2. This Agency would seem to be ahead of the times in anticipating such a program as reflected in the emphasis given to on-the-job training, formal training, and the career development program.
3. This Agency endorses the principle of this recommendation and considers that we have made great progress in this regard along the general lines laid down by the Task Force. Our participation in a government-wide program would involve the same kind of security problems as indicated in connection with the proposed Senior Civil Service Group.

Recommendation No. 7

We recommend that except for special skills, training should be systematically conducted by the agencies themselves, and that training should count heavily as a factor in the promotion of employees.

CONFIDENTIAL

~~CONFIDENTIAL~~

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

IV. Improving Large-Scale Employment Practices

1. This section deals with recommendations for changes in the Classification Act and the wage board system for establishing rates based on prevailing wages in the community.

2. For all practical purposes, the Agency now uses only 4 grades in the GS 1-6 range (GS 3-6). With respect to the criticism of the multiplicity of grades in this range and the heavy paperwork load in developing position descriptions elaborating on insignificant differences, it can be reported that our present plans call for the development and use of a large number of standard position descriptions.

3. The recommended compression of the GS 7-11 range into three grades contemplates elimination of GS 8 and GS 10 on the grounds that there are insignificant distinctions between grades. Within the Agency, GS 7, 9, 11 is the normal pattern for professional positions. The even numbered grades are used principally for nonprofessional positions to recognize discernible differences in skill requirements. For example, the current distribution of Commo Technician positions is as follows:

GS 7	23%
GS 8	5%
GS 9	34%
GS 10	1%
GS 11	37%

4. This Agency, by virtue of its exception from the Classification Act of 1949, as amended, and of the Director's authority for establishing salary and wage rates is not directly affected by these recommendations. As a matter of policy, this Agency has employed the schedules provided in the Classification Act and appropriate wage board schedules. We foresee no objections to continuing this policy if the proposed recommendations are approved.

Recommendation No. 8

We recommend that:

- (a) The grade structure under the Classification Act of 1949, as amended, be simplified. Grades GS 1-6 should be combined into 3 grades, and grades GS 7-11 should be combined into 3 grades. Positions would then be allocated to 6 grades in this range rather than to 11. No change is proposed in the higher grades, except that many positions now classified at GS 16 and up would be absorbed into the Senior Civil Service with its own pay scales based on personal-rank status.
- (b) A genuine classification of postal employees should replace the misleading system of payment according to meaningless titles.

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

The grade structure should be simplified to bring it in line with the proposed general classification plan; and eventually postal employees should be brought into the general classification structure.

- (c) To provide coordination among the multiplicity of wage-board systems, a definite statutory basis for payment in accordance with prevailing labor-market rates should be established, and the Civil Service Commission should be authorized to study such pay systems and to establish general rules and regulations (a) for classifying the positions to be paid at local rates, and (b) for determining local prevailing wages.
- (d) The Civil Service Commission and the appropriate Committees of the Congress review the positions now under the Classification Act to determine whether additional positions might, in the interests of economy and efficiency, be paid under local wage board arrangements.

~~CONFIDENTIAL~~

V. Recruitment, Examination, Appointment and Performance Evaluation

1. This section of the report deals with problems generally arising in the selection and evaluation of employees in the competitive service. It suggests that these problems are influenced by a tendency to assume that applicants for employment will come to the Government in the necessary quantity and of the required quality, although in fact the Government must compete in the open market for talent. Recommendations to relieve these problems concern an improved and more active recruitment and examining program, greater use of interview techniques and broadening of the Rule of Three to a "Rule of Five" in the selection process, and the development of a new performance rating system.

2. We do not believe that the recruitment experience and program of this Agency supports any suggestion of a tendency to assume that sufficient and qualified personnel will seek employment. We have made considerable effort to conduct as vigorous and positive recruitment campaign as can be carried on within necessary security limitations as to publicizing job opportunities and requirements.

3. In connection with the more effective use of the probationary period, including a written report by the supervisor prior to completion of probation, it is observed that we already require the preparation of a Fitness Report following the first nine months of service.

4. This Agency is exempted from the Performance Rating Act of 1950, as amended. We have adopted a system of personnel evaluation which serves to identify the same groups of employees as indicated in the recommendation but is applicable to all employees. We believe adoption of a system limited to those elements contained in the recommendation would deny the advantages of a required periodic evaluation report which include assisting supervisors in carrying out their responsibilities for keeping employees informed as to the quality of their work, identifying training needs of employees whose work is acceptable but would be improved by training, and providing a record for future reference of the employee's past performance.

Recommendation No. 9

We recommend

(a) A recruiting program including:

1. Continued effort to improve the character and distribution of announcements;
2. Adequate public information programs;
3. Expansion of college recruiting---under Civil Service Commission leadership but with full Agency participation;

(b) Vigorous and continued efforts by the Civil Service Commission and the employing agencies to improve examinations. Such efforts should include:

1. More open continuous examinations which can be taken by candidates at any time;
2. Validation of tests and employment standards to make sure that they really measure the qualities needed.

Recommendation No. 10

We recommend that:

- (a) More use be made of interviews, and interview techniques be improved;
- (b) Junior professional examinations, especially Junior Management Assistant examinations be improved;
- (c) The Civil Service Commission be authorized by law to allow appointing officers greater leeway in selecting personnel by permitting them to make their selection from among five certified eligibles rather than three (the present rule) except in appointments to lower grade positions and the postal field services.
- (d) The Commission make full use of its authority to substitute category rating for numerical rating of the qualifications of applicants for certain higher scientific, technical, and administrative positions.
- (e) The Commission allow more flexible use of registers of eligibles between Civil Service regions.

Recommendation No. 11

We recommend that:

- (a) The present performance rating system be abolished;
- (b) A new system be established under which the supervisor reports at least once a year only on those:
 1. Employees with potential capacity for further development and higher responsibilities;
 2. Employees desiring meritorious awards;

- 3. Employees miscast in their present assignments and who should be reassigned and/or retrained for other work;
- 4. Employees undeserving of periodic pay increase because of unsatisfactory service (employees not so designated would receive their increases in due course);
- 5. Employees requiring dismissal.

(c) In each case the supervisor should submit in writing to his superiors the reasons for his judgment and specific suggestions as to action desired.

(d) The right to appeal adverse decisions under the new system should be limited to one appeal to higher authority in the Agency.

~~CONFIDENTIAL~~

VI. Separations and Reductions in Force

1. This section deals primarily with problems arising from the special rights granted to veterans in separations for cause and appeals and in reduction in force. It also emphasizes the need for improving supervisory skill in dealing with dismissals and removals. The recommendations proposed to relieve these problems require limiting the special appeal and super-retention rights of veterans and education of supervisors with respect to separations for cause.

2. Since the provisions of the Lloyd-LaFollette Act are applicable only to employees in the classified civil service, the recommendations dealing with separation and appeal procedures in accordance with the provisions of this Act have no direct bearing on this Agency. We endorse the principle of removal procedures which are both simple and equitable and improving the supervisory handling of dismissals and inadequate performance cases.

3. The arguments offered by the Commission in support of limiting the special appeal rights of veterans appear reasonable. The same arguments could be used to support a time limitation of 5 years following military service rather than following appointment.

4. The recommendations offered with respect to reduction in force should alleviate some of the problems which have arisen from the special preference granted to veterans. However, the proposal presented would seem to place undue emphasis on the possession of competitive service by employees in a totally excepted organization. Most employees in such an organization have no opportunity to acquire such status. In this Agency, application of the present proposal would offer less opportunity for insuring the retention of the more capable employees than under the present rules.

Recommendation No. 12

We recommend that:

- (a) A veteran's special right to appeal to the Civil Service Commission be limited to the first 5 years after appointment to the service. At the completion of the 5-year period, the veteran would revert to the regular appeals procedures now available to nonveteran employees.
- (b) When the Commission accepts appeals, it should confine its review to a determination as to (1) compliance on the part of the agency with the procedural safeguards provided by law; (2) whether there

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

is some evidence to support the decision which the employee is appealing. It should not try to substitute its own judgment for that of the agency head in any matter relating to the proficiency of employees. In this and all other appeal situations it should rule in favor of the agency head unless there is clear evidence of bad faith on the part of the agency head toward an appellant or failure to meet procedural requirements.

- (c) Agencies confine their dismissal procedures to the simple provisions of the Lloyd-La Follette Act.
- (d) Each agency train its supervisors to handle disciplinary problems properly and delegate removal authority to the lowest practicable management level.
- (e) The probationary period be used more systematically and vigorously to screen out inadequate employees. Supervisors should be required to sign a written statement vouching for the adequacy of employees before they pass out of probationary status.
- (f) Supervisor's handling of dismissals and inadequate employees should be emphasized in evaluating supervisor's performance. Evidence of slackness or indecision should count heavily against the supervisor.

Recommendation No. 13

We recommend that reduction-in-force procedures based upon section 12, Veterans' Preference Act, be modified to provide:

- (a) That a system be established which divides career (Note: civil service career) category employees into three groups:
 1. veterans with compensable service - connected disabilities;
 2. all other veterans, and those nonveterans of 15 or more years Federal service; and
 3. all other employees.
- (b) That in calculating Federal service each full 6 months of military service during time of war or extended military action shall count for 1 year of civilian Federal service; each year in which a civil service employee received a meritorious or outstanding service award shall be counted as $1\frac{1}{2}$ years of civilian Federal service. For purposes of determining service in this case, employees who hold status may include their total years of nonstatus service, providing that such service immediately preceded their acquisition of status. Military service should not in this case be

~~CONFIDENTIAL~~

considered an interruption of service.

(c) That in layoffs the order of retention be as follows:

1. Veterans with compensable service - connected disabilities shall have preference over all other competing employees. Where disabled veterans are competing against each other, the one with the highest number of retention credits (as calculated in the manner prescribed above) shall have preference.
2. Veterans with competitive status having no compensable disabilities shall have preference in layoffs over all other employees except disabled veterans with compensable disabilities and nonveteran employees with status and with 15 or more years of service. A veteran with competitive status who has no compensable disability may replace a nonveteran status employee with 15 or more years service, only if he has an equal or greater number of retention credits (as calculated in the manner prescribed above).
3. Nonveteran employees with competitive status shall have preference over all employees without status. When such nonveteran employees are competing against each other, the employee with the highest number of retention credits shall have preference.

(d) That no employee, except veterans with compensable service connected disabilities, who has less than 5 years of service (calculated in the manner prescribed) shall have reassignment ("bumping") rights in reductions-in-force.

(e) That as soon as adequate records shall have been developed under the new performance evaluation system recommended elsewhere in this report, reduction in force rules should be further modified to permit higher retention credit for those employees recommended and approved for further development and higher responsibilities.

~~CONFIDENTIAL~~

VII. Various Problems

1. This section of the report deals with a variety of distinct problems which are not closely related to the preceding six subject categories.

a. Prestige and morale

The Commission report emphasizes the importance of prestige attached to Government service. It refers to the following principles suggested by the Task Force and abstracted from their report:

(1) Constant attention should be given to maintaining high standards of personal conduct on the part of officials and employees of the Government.

(2) Adverse criticism of civil servants by political leaders should be specific and accurate.

(3) Public servants who are unfairly attacked deserve to be defended, and the public interest also requires it.

b. Coordination and Extension of Merit Systems

The report proposes bringing groups of positions now outside the competitive civil service into the competitive service or into special merit systems designed to meet their particular requirements. It also recommends that the President's Adviser on Personnel Management be empowered to examine all personnel systems outside the regular civil service system, that the President recognize true independent merit systems, and that there be provision for movement of individuals between merit systems.

c. Termination of Political Clearance of Rural Letter Carriers.

d. Bringing U. S. Marshals and Field Officials of the Bureau of Customs and the U. S. Mints under Civil Service.

e. Codification of Civil Service Laws.

f. Organization of the Civil Service Commission for Personnel Management.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

(1) This recommendation proposes the development of improved basic standards for application in an expanded delegation operating functions to departments and agencies. Emphasis would also be placed on a vigorous and realistic inspection system to ensure compliance with laws, regulations and standards by departments and agencies.

(2) It is further recommended that departments and agencies delegate as much authority for individual personnel actions to lower operating levels (Bureaus, Field Service, etc.) as is possible and that such delegations be subject to suitable standards.

2. The objective of recognizing the merit principle throughout the Federal service through the operation of merit systems designed to meet particular requirements seems a desirable one. We consider the Agency's present personnel program to be compatible with this principle. The review at Presidential level of all personnel systems in the Federal service is also desirable. In this connection, however, careful consideration of security factors surrounding any external inspection of Agency personnel activities would be a prerequisite for accomplishing the recommended review by the Presidential Adviser on Personnel Management.

3. The proposed codification of civil service legislation should be very useful to officials responsible for personnel management in the Federal service.

Recommendation No. 14

We recommend that:

- (a) Groups of positions which presently are excepted from the competitive civil service, such as positions overseas and in the Territories, should to the extent possible either be brought within the competitive service and filled by open competition, or they should operate within special merit systems designed to meet the particular needs of these groups of positions.
- (b) The Presidential Adviser on Personnel Management should be empowered to examine the operations of all personnel systems outside of the regular civil service. Any shortcomings in the operations of such systems should be reported to the President for such action as he desires to take. True independent merit systems should be recognized and certified as such by the President.

Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060062-3

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

(c) Persons who have served satisfactorily in a recognized Federal merit system outside the civil service should receive status and thereby be eligible for transfer to a competitive job under the Civil Service Act. Correspondingly, legislation governing personnel systems outside of the civil service laws should be modified to permit persons with civil service status reciprocal rights under other certified merit systems. People who have served under a true merit system should be available for use anywhere in the Government.

Recommendation No. 15

We recommend that the President direct termination of political clearance of eligibles for appointment as rural mail carriers.

Recommendation No. 16

We recommend that United States Marshals and field officials of the Bureau of Customs and the United States Mints be brought under the civil service and "positions" should be filled by departmental appointments in lieu of the present method of appointment by the President.

Recommendation No. 17

We recommend that:

- (a) The Civil Service Commission, with the Bureau of the Budget, undertake a codification of the laws and orders affecting Federal personnel management.
- (b) These agencies prepare a report to the Congress on changes in legislation which the codification indicates are necessary to clarify and simplify existing laws, eliminate duplication, and clarify lines of authority.
- (c) Congress enact the necessary legislation, as indicated, to effectuate the codification.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Recommendation No. 18

We recommend that the Civil Service Commission:

- (a) Expand its research activities as a basis for developing improved basic standards and guidelines under which the Commission delegates its authority to departments and agencies and provides assistance to them;
- (b) Continue to expand the delegation of operating functions (subject to its standards) to the departments and agencies;
- (c) Emphasize vigorous, realistic and reasonably frequent inspections in order to assure compliance with the principles of the civil laws and regulations, and the standards established by the Commission under which it makes delegations of authority to the departments and agencies. Such inspections should insure strict adherence to all statutory provisions for veterans' preference and maintenance of the merit principle in Federal employment. The Commission should be authorized to charge the costs of reposessed functions to the agencies from which they are temporarily recovered.

Recommendation No. 19

We recommend that:

Departments and agencies delegate as much authority (subject to suitable standards) for individual personnel actions as is possible to lower operating levels. Agency personnel offices should be free to concentrate on positive personnel management, research, training and executive development, and manpower planning.

~~CONFIDENTIAL~~